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**BY MESSENGER**

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W. Room 222  
Washington, D.C. 20554

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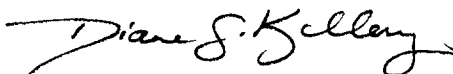
Re: Ex Parte Presentation in MM Docket No. 93-48

Dear Mr. Caton:

On January 19, 1995, Ken Werner, Senior Vice President of Walt Disney Television, and I met with Chairman Reed Hundt, Blair Levin and Merrill Spiegel; Commissioner Rachelle Chong, Jane Mago, and various interns; Lisa Smith, Legal Advisor to Commissioner Barrett; and Mass Media Bureau Chief Roy Stewart. We discussed the definition of educational children's programming, as well as issues relating to the production and broadcast of children's programming.

Pursuant to 47 C.F.R. § 1.1206, I enclose two additional copies of this letter and a handout we distributed during our meetings. I also enclose two copies of a Mediaweek article we provided at some of the meetings.

Sincerely,



Diane S. Killory  
Counsel for  
The Walt Disney Company

cc: Chairman Reed Hundt  
Commissioner Rachelle Chong  
Roy Stewart  
Blair Levin  
Merrill Spiegel  
Jane Mago  
Lisa Smith

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## ISSUES: Educational Programming on PBS

# Where in the World Will Carmen Sandiego Go?

**F**or Barney the Dinosaur, Bert and Ernie, Carmen Sandiego and all their friends, these are trying times. For better or worse, educational programming on the Public Broadcasting System is under siege. The attack is coming on two fronts. The first was opened by the forces of television commercialism several years back as programs children wanted to watch were programmed against educational shows. The other is to be opened soon by the new Republican Congress, which is expected to consider ending its funding of the Corporation for Public Broadcasting, the quasi-public body through which tax dollars are used to subsidize PBS, whose most educational programs are found.

By the time the battle is over, educational programming as it has been known since the creation of PBS could be forever changed, if not dumped altogether. In its place could be federally mandated educational programming on commercial TV stations. Or it could shift abroad entirely to cable.

By Michael Freeman

Whatever happens, all sides agree, it's going to be a hell of a fight.

Incoming House Speaker Newt Gingrich (R-Ga.) has made the PBS fund-raising agency a highly visible lightning rod in the Republicans' argument that the arts and humanities should no longer be subsidized by the federal government. "One of the things we're going to do this year, I hope, is to zero out the Corporation for Public Broadcasting, which has been eating taxpayers' money," said Gingrich, who made the remark Dec. 6 on a basic cable program he hosts weekly on the conservative National Empowerment Television cable network.

There's plenty of opposition to Gingrich's plans for CPB, much of it from the now disempowered and largely intellectual liberal establishment. But others, notably Peggy Charren, the former president and founder of Action for Children's Television (ACT), plan to give Gingrich a fight.

"What I find ludicrous about Gingrich and his National Empowerment Television channel is that we can't have empowerment without education, and that's what he wants to deprive children and lower income families of," says Charren, who served as a leading proponent for and architect of the Children's Television Act of 1990. "If he is not careful this could be the thing that gets Republicans

unseated the next time around, because the public won't stand idly by while their kids become a political football."

Naturally, the rhetoric-to-date is chilling the public TV establishment. "Everything that we've heard from the Hill is that they're serious about cutting off public broadcasting funds," said David Brugger, president of the Association of America's Public Television Stations, a Washington, D.C.-based lobbying group representing the nation's 203 PBS affiliates. "It could happen in the first 100 days of the new Congress."

During the budget process, public television officials expect to be questioned about their fund-raising practices and whether PBS should simply adopt free-market economics by becoming a commercial broadcast network. Reform-minded Republicans have also suggested that if PBS's *Barney & Friends* and *Sesame Street* series are merchandising cash cows (similar to commercial television's *Mighty Morphin Power Rangers* and *Teenage Mutant Ninja Turtles*), why shouldn't CPB share in those spoils and be entirely independent of the taxpayers' pocketbooks?

The PBS people say that the system already is almost independent. According to Michael Schoenfeld, who is the CPB's senior vp of corporate communications, public broadcasting (PBS's TV and radio stations) will receive \$285.6 million in federal appropriations for the current fiscal year. The federal contribution represents roughly 15 percent of the \$1.8 billion raised by local PBS stations and the CPB through additional individual donations and subscription drives, corporate sponsorship contributions, private foundation grants as well as other state and municipal funding.

"We are talking about a [federal] subsidy that averages out to \$1.09 per taxpayer in this country, and that seed money has helped us to generate \$1.5 billion in outside funding," Schoenfeld says. "We feel that it is the kind of privatization which could serve as a model for other public agencies."

Brugger of the Association of America's Public TV Stations says the nearly \$300 million federal outlay is still a critical component that ensures the viability of smaller-market PBS stations. Of the 203 chartered PBS affiliates and 351 total local transmitters, it is mostly the smaller market stations that more "proportionately" rely on the 15 percent federal contribution to account for more than half of their "discretionary budget" to acquire much of the high-profile first-run series product.

Ultimately, the Republicans' suggestion of commercializing PBS' programming—likely centering on the potentially stronger revenue that children's programming could generate in the merchandising and advertising areas—presents potential conflicts with current public policy as well as possibly undermining ongoing PBS community outreach efforts and other in-school instructional programs. As Brugger, Schoenfeld and Charren are quick to point out, a portion of the federal subsidy allows the CPB to fund in-school instructional programs, which, if they were to be commercially sponsored, would be in clear violation of local school district policies.

Proponents of the elimination of funding, such as Rep. Phil Crane (R-Ill.), also suggest that such PBS staples as *Barney* and *Sesame Street* could always find a home on commercial television. (Charren says that commercial television, by definition, includes the consideration of cable television networks. Any potential shift of PBS series to

syndication arm has ever been involved.

At a production budget set at \$8 million for the first 39 episodes (roughly \$200,000 per episode), Werner said that the CPB was able to contribute \$1.9 million toward the weekly production of *The Science Guy*; LIN Television, a major commercial station group, added \$1 million; The National Science Foundation stepped up with resource material and a \$3 million grant; and Buena Vista Television filled out the rest of the financing at slightly more than \$2 million. In return, Werner says the KCTS is a net profit participant in the series, whereby an unspecified percentage of the national barter advertising sales, international broadcast sales and merchandising goes back to KCTS for other series production.

"The CPB and PBS stations' limited funding situation doesn't help them attract many big name producers, but they have been aggressive in seeking out a few capital venture partners who are willing to help them find alternative



'Carmen Sandiego': PBS-show-turned Fox cartoon.



'Bill Nye': PBS, and commercial, from the start.

cable, suggests Charren, would take away access to educational programming for lower-income families who can't afford cable service.)

In what may prove a model for the future, PBS and CPB have found a way to stretch whatever federal and private dollars are at their disposal by making innovative coventure series deals with commercial producers and distributors. *Bill Nye, The Science Guy*, an educational series originally conceived by Nye (a former aviation engineer) and tested on PBS affiliate KCTS in Seattle, is the first example of a public and private coventure series that is utilized in a shared broadcast window between PBS and commercial syndication. As Buena Vista Television's senior vp of business affairs, Ken Werner handled much of the intricate financial participation and distribution discussions on *The Science Guy*. Werner credits public TV for "coming up with the most complicated and creative deal-making structures" in which the Disney Co.

venues in order to maximize what is a very narrow audience," said Werner, who also revealed that Buena Vista will be attempting to introduce an unnamed weekly educational show of its own in fall 1995. "Educational programming has to be supported, because the hurdles educational producers face is much tougher than what producers of entertainment series contend with in commercial venues."

Even though *The Science Guy* has surprised commercial broadcast pundits by becoming the second highest rated weekly educational series (with a season-to-date 1.5 rating among children two to 11 years old), Werner concedes that it could be until the end of next season (the series' third year) before all of the partners see it hit the break-even point. *The Science Guy's* ratings may not sound overly impressive, but it is considered a significant accomplishment in broadcast syndication, where five of the eight weekly educational series in syndication are currently averaging lower than 1.0 ratings.



David Brugger, who heads the association of PBS stations, sees big cuts coming from the new Congress.

## ALL 1993-94 KIDS PROGRAMMING

## NETWORK and SYNDICATED

September 6, 1993 to September 4, 1994

Ranked by Kids 2-11

\* = FCC-Friendly Shows Bolded

Program	Originator/Net	Type	Day	Time	First T/G	Wks	(NTI RTG)		STN/CYC
							12-17	HH	
POWER RANGERS-SAT	FOX	CA	Sat	8:30A	10/9/93	39	8.5	3.8	161/ 95
POWER RANGERS	FOX	CA	M-F	7:30A	9/6/93	52	7.8	3.5	160/ 95
X-MEN	FOX	CA	Sat	11:00A	9/11/93	50	7.7	4.6	162/ 95
TINY TOONS-SAT	FOX	CA	Sat	10:00A	9/11/93	50	7.3	3.8	159/ 95
BOBBY'S WORLD	FOX	CA	Sat	9:00A	9/11/93	50	7.2	3.3	162/ 95
TAZ-MANIA	FOX	CA	Sat	10:30A	9/11/93	50	6.9	3.8	161/ 95
EEK THE CAT	FOX	CA	Sat	9:30A	9/11/93	45	6.7	3.2	162/ 95
GARFIELD & FRIENDS II	CBS	CA	Sat	9:30A	9/18/93	50	6.0	3.6	201/ 94
ANIMANIACS	FOX	CA	M-F	4:00P	9/13/93	51	6.0	3.5	161/ 95
CARMEN SANDIEGO*	FOX	CA	Sat	11:30A	2/5/94	28	5.8	3.3	162/ 95
BATMAN-FOX	FOX	CA	M-F	4:30P	9/6/93	52	5.6	3.4	160/ 95
SONIC THE HEDGEHOG	ABC	CA	Sat	9:00A	9/18/93	48	5.3	2.6	213/ 92
ADDAMS FAMILY	ABC	CA	Sat	9:30A	9/11/93	48	5.2	2.7	203/ 87
TALES-CRYPTKEEPER	ABC	CA	Sat	10:00A	9/18/93	47	5.2	2.9	199/ 89
MUTANT NINJA TRTLS I	CBS	CA	Sat	10:00A	9/11/93	49	5.1	3.0	190/ 90
MUTANT NINJA TRTLS II	CBS	CA	Sat	10:30A	9/11/93	50	5.0	3.0	189/ 90
TINY TOONS-FOX	FOX	CA	M-F	3:30P	9/6/93	52	5.0	2.9	161/ 95
DROOPY	FOX	CA	Sat	8:30A	10/9/93	11	4.9	2.6	162/ 95
BONKERS	BUENA VISTA	CA	M-F		9/6/93	51	4.8	2.6	178/ 93
GARFIELD & FRIENDS I	CBS	CA	Sat	9:00A	9/18/93	50	4.8	2.9	201/ 95
MERRIE MELODIES	FOX	CA	M-F	8:00A	9/6/93	52	4.4	2.3	160/ 95
BUGS BUNNY/TWEETY II	ABC	CA	Sat	8:30A	9/11/93	51	4.3	3.0	201/ 90
GOOF TROOP-SYN	BUENA VISTA	CA	M-F		9/6/93	51	4.3	2.3	179/ 94
NEW DENNIS-MENACE	CBS	CA	Sat	8:30A	9/18/93	47	4.2	2.4	173/ 82
LAND OF THE LOST I	ABC	CL	Sat	10:30A	5/7/94	16	4.2	2.5	196/ 88
LAND OF THE LOST	ABC	CL	Sat	11:00A	9/11/93	30	4.1	2.4	187/ 88
DISNEY'S LITTLE MERMAID	CBS	CA	Sat	8:00A	9/18/93	50	4.0	2.4	203/ 96
SONIC THE HEDGEHOG I	ABC	CA	Sat	8:30A	11/13/93	23	4.0	2.1	206/ 91
BUGS BUNNY/TWEETY I	ABC	CA	Sat	8:00A	9/11/93	50	3.8	2.5	203/ 91
DOG CITY	FOX	CA	Sat	8:00A	9/11/93	50	3.8	2.0	161/ 95
NEW ADVEN-CPT. PLNT*	TURNER	CA	Var	5/5	9/12/93	57	3.7	3.0	195/ 97
C.O.W.-BOYS-MOO MESA	ABC	CA	Sat	11:30A	9/11/93	48	3.6	2.1	193/ 88
TOM & JERRY KIDS M-F	FOX	CA	M-F	3:00P	9/6/93	48	3.6	2.1	160/ 95
ABC WEEKEND SPECIALS*	ABC	CL	Sat	12:30P	10/23/93	23	3.3	2.0	180/ 84
BIKER MICE FROM MARS	RYSHER	CA	Var.		9/18/93	50	3.3	1.9	170/ 92
DARKWING DUCK-SYN	BUENA VISTA	CA	M-F		9/6/93	51	3.1	1.9	161/ 92
CADILLACS & DINOSAURS	CBS	CA	Sat	11:30A	9/18/93	23	3.0	2.0	162/ 79

Source: NTI as dated; CAA where available. Top of more weeks. CA = Children's Animation CL = Children's Live Action.

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<b>CRO*</b>	ABC	CA	Sat	12:00P	9/18/93	44	2.8	1.7	205/ 91
CONAN & YNG WARRIORS	CBS	CA	Sat	11:30A	3/5/94	26	2.8	1.9	172/ 83
TRANSFORMERS: GEN 2	GROUP W	CA	Var.		9/12/93	51	2.8	1.8	116/ 85
AMAZ' ADV 1/MIGHTY MAX	BOHBOT/AMG	CA	Var.		9/12/93	51	2.7	1.7	120/ 80
FUN-HANNA BARBERA II	TURNER	CA	Var.		9/12/93	51	2.7	2.0	93/ 89
CITYKIDS	ABC	CL	Sat	12:00P	9/25/93	14	2.6	1.9	189/ 86
AMZN' ADV 2/DBL DRAGON	BOHBOT/AMG	CA	Var.		9/12/93	51	2.6	1.6	104/ 79
<b>BEAKMAN'S WORLD*</b>	CBS	CL	Sat	11:00A	9/18/93	43	2.5	2.0	190/ 91
ADV. SONIC-HEDGEHOG	BOHBOT	CA	M-F		9/6/93	51	2.5	1.3	118/ 83
TALE SPIN	BUENA VISTA	CA	M-F		9/6/93	51	2.5	1.7	151/ 91
CHIP 'N' DALE	BUENA VISTA	CA	Var.		9/12/93	51	2.4	1.5	132/ 87
WINNIE THE POOH-SYN	BUENA VISTA	CA	Var.		9/12/93	51	2.2	1.4	134/ 85
CONAN THE ADVEN.	ONE WORLD	CA	M-F		9/13/93	50	2.2	1.5	100/ 85
MARSUPI LAMI	CBS	CA	Sat	8:00A	9/18/93	49	2.1	1.4	185/ 88
CBS STORYBREAK	CBS	CL	Sat	11:30A	9/18/93	43	2.1	1.4	140/ 76
DUCKTALES	BUENA VISTA	CA	M-F		9/6/93	51	2.1	1.3	102/ 82
AMAZ' ADV 2/KING ARTHUR	BOHBOT/AMG	CA	Var.		9/12/93	51	2.0	1.3	82/ 71
EXOSQUAD	MCA TV	CA	Var.		9/19/93	50	2.0	1.6	157/ 90
PINK PANTHER	CAMELOT ENT.	CA	M-F		9/13/93	50	2.0	1.2	85/ 82
SAVED BY THE BELL	NBC	CL	Sat	11:00A	9/11/93	50	1.8	2.7	180/ 87
<b>BILL NYE-SCIENCE GUY*</b>	BUENA VISTA	CN	Var.		9/12/93	51	1.7	1.5	211/ 95
MR. BOGUS	RYHER	CA	Var.		9/12/93	50	1.7	1.0	86/ 60
<b>CAPTAIN PLANET &amp; PLAN*</b>	TURNER	CA	M-F		9/6/93	51	1.7	1.3	105/ 93
NEW ADVEN SPEED RACER	GROUP W	CA	Var.		9/19/93	50	1.5	1.0	89/ 75
<b>ADV. IN WONDERLAND*</b>	BUENA VISTA	CN	Var.		9/12/93	51	1.3	1.0	183/ 91
AMAZ' ADV 1/HURRICANES	BOHBOT/AMG	CA	Var.		9/12/93	51	1.3	0.8	78/ 68
CALIFORNIA DREAMS	NBC	CL	Sat	10:30A	9/11/93	48	1.2	2.0	160/ 78
RUNNING THE HALLS	NBC	CL	Sat	11:30A	9/11/93	45	1.1	1.6	148/ 71
FUN-HANNA BARBERA I	TURNER	CA	Var.		9/12/93	51	1.1	0.9	93/ 89
<b>PICK YOUR BRAIN*</b>	RYHER	CL	Var.		9/19/93	50	1.1	1.1	113/ 89
<b>WIDGET*</b>	RYHER	CA	Var.		9/26/93	49	1.0	0.7	120/ 73
<b>XLIXA*</b>	IFE/MTM	CL	M-F		9/13/93	50	0.8	0.6	117/ 72
BOYS' MASTER	ALL AMRCN	CA	M-F		9/27/93	48	0.9	0.6	81/ 78
<b>NICK NEWS*</b>	VIACOM	CN	Var.		9/26/93	49	0.8	1.3	175/ 95 ← Program
INSPECTOR GADGET-SYN	BOHBOT/AMG	CA	M-F		9/6/93	51	0.8	0.5	66/ 70
NAME YOUR ADVENTURE	NBC	CL	Sat	10:00A	9/11/93	50	0.7	2.2	187/ 89
<b>MAD SCIENTIST I*</b>	SABAN	CA	Var.		9/26/93	49	0.7	0.6	110/ 73
YOGI & FRIENDS	TURNER PROG	CA	M-F		9/13/93	50	0.7	0.7	66/ 84

Source: NTA on data; CAA where available. Ten or more weeks. CA = Children's Animation; CL = Children's Live Action.

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							K2-11	HM	
<b>ENERGY EXPRESS*</b>	<b>TRIBUNE</b>	CN	Var.		9/19/93	50	0.6	1.1	110/ 89
<b>TWINKLE*</b>	<b>RYDER</b>	CA	Var.		9/26/93	49	0.6	0.5	102/ 67
ADVENTURES T-REX -WKLY	ALL AMRCN	CA	Var.		9/12/93	51	0.4	0.3	48/ 56
AROUND-WRLD 80 DREAMS	BOHBOY/AMC	CA	Var.		9/12/93	51	0.4	0.3	63/ 56
<b>SCRAMBLE*</b>	<b>PANDORA</b>	CN	Var.		9/12/93	17	0.4	0.5	94/ 67
<b>MAD SCIENTIST II*</b>	<b>SABAN</b>	CA	Var.		9/26/93	44	0.2	0.2	41/ 33
HALLO SPENCER	SABAN	CL	M-F		9/20/93	48	0.2	0.3	64/ 71
ADVENTURES T-REX (M-F)	ALL AMRCN	CA	M-F		9/6/93	29	0.2	0.1	29/ 39

Source: NTI as dated; CAA where available. Ten or more weeks. CA = Children's Animation CL = Children's Live Action.